weekly economic review

April 5, 2013

Labour Market

Employment dips in March

The province lost 11,300 jobs in March, offsetting most of the gains from the first two months of the year. This was the largest monthly employment decline in over three years. Declines in accommodation and food services (-11,600) and finance, real estate & insurance (-6,200) weighed on overall employment. The health care & social assistance (+5,800) industry led all industries in employment growth.

Despite March's decline, Alberta created 43,600 jobs in the first quarter of 2013 compared to the same period last year, representing a healthy 2.0% increase in employment.

The unemployment rate in Alberta rose 0.3 percentage points to 4.8% in March, still second lowest in Canada after Saskatchewan at 3.9%, and well below the national average of 7.2%.

From a national perspective, job losses were fairly widespread, with Ontario (-17,400), Quebec (-16,800) and BC (-14,800) witnessing the largest drops. In total, Canada lost 54,500 jobs, the largest one month dip since February 2009. The national unemployment rate moved 0.2 percentage points higher to 7.2%.

Merchandise Exports

Goods exports register modest gain

Alberta merchandise exports posted the second consecutive year-over-year gain in February. The value of Alberta's merchandise exports in February was $8.0 billion, up a moderate 2.0% from a year ago. Most industries recorded year-over-year gains, with energy products rising for the first time in four months. Farm, fishing and intermediate food products continued to see strong increases, up a solid 6.7% from a year ago.

At the national level, the merchandise trade deficit widened to $1.0 billion from $746 million in January as exports fell while imports increased.

Global Economy

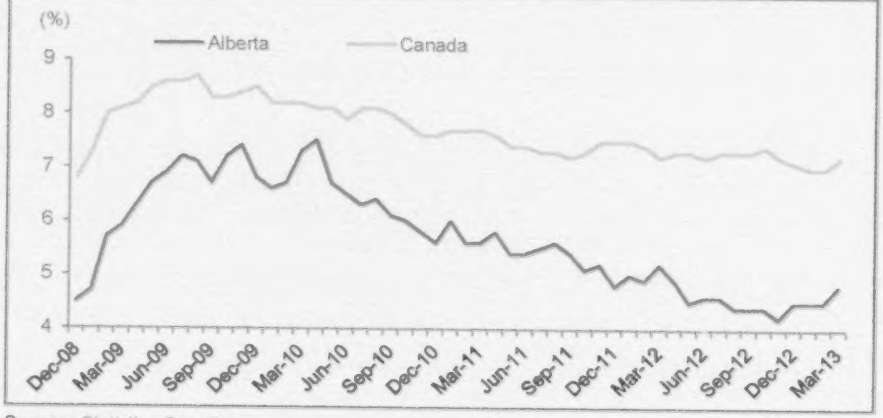
Weak job growth in the US

The US economy added 88,000 payroll jobs in March, down from 268,000 in February. This is the smallest monthly job gain since last June. The share of working age people participating in the labour force declined by 0.2 percentage points to 63.3%, the lowest level in over 30 years. The exit of 496,000 people from the labour force caused the unemployment rate to nudge down by 0.1 percentage points to 7.6%. While markets were expecting a weak report given several weeks of heightened unemployment claims, the jobs numbers still came in below market expectations.

Bank of Japan steps up stimulus

The Bank of Japan (BoJ) took solid steps this week in its bid to end 15 years of flat or falling prices. The BoJ plans to double its holdings of securities from 138 trillion yen ($1.45 trillion) to 270 trillion yen ($2.84 trillion) by the end of 2014. The assets will be purchased with newly created money in the hopes of generating enough inflation to achieve the BoJ's 2% inflation target. The stimulus program exceeded market expectations, with the Japanese Nikkei 225 stock index increasing 3% on the news.

Unemployment Rate



Source: Statistics Canada

Closing Price	March 28, 2013	April 5, 2013	2013-14 Fiscal YTD
Canadian Dollar (US $/$CAN)	98.46	98.63	98.55
WTI Oil ($US/bbl)	97.23	93.26	95.49
NYMEX Natural Gas($US/MMBtu)	4.02	3.95	3.04

Alberta Economic Indicators

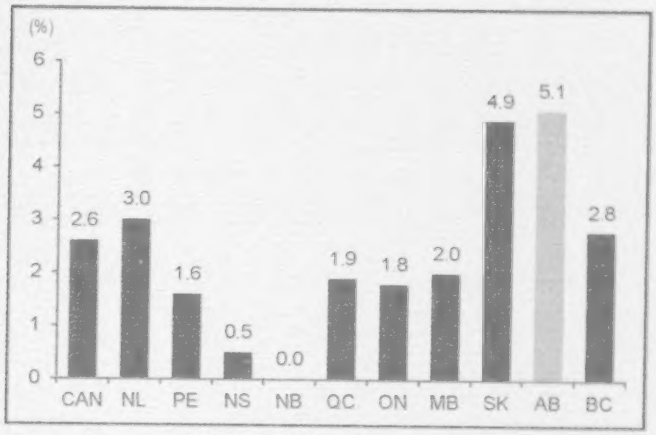
Population	2011	2012	2013YTD	Oct	Nov	Dec	Jan	Feb	Mar
Population (000's)	3,778	3,874	3,931	3,907	..	..	3,931	..	..
y/y % change	1.5	2.5	3.0	2.9	..	..	3.0	..	..
Net Interprovincial Migration[1]	8,443	28,170	25,448	13,915	..	..	11,533	..	..
Net International Migration[1]	16,703	37,990	17,105	10,809	..	..	6,296	..	..
Net Non-permanent Residents[1]	-7,604	9,721	2,813	3,946	..	..	-1,133	..	..
Labour Market									
NEW: Employment (000's), SA	2,094	2,150	2,174	2,162	2,170	2,165	2,175	2,179	2,168
y/y % change	3.8	2.7	2.0	1.8	1.9	1.5	1.9	2.5	1.7
NEW: Unemployment Rate (%), SA	5.5	4.6	4.6	4.4	4.2	4.5	4.5	4.5	4.8
NEW: Participation Rate (%), SA	73.7	73.4	72.8	73.1	73.0	72.6	72.9	72.9	72.6
Average Weekly Earnings ($), SA	1,035.70	1,072.75	1,090.33	1,090.61	1,091.24	1,095.14	1,090.33	..	..
y/y % change	4.4	3.6	3.6	4.2	4.4	3.9	3.6	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	0.2	-0.6	0.6	0.0	0.5	0.9	..
Excluding food and energy	0.8	1.3	1.1	1.2	0.9	1.1	0.8	1.4	..
Non-Res. Building Const. Price Index[2] (y/y % change)	3.4	3.8	..	..	..	3.0	..	..	..
Farm Product Price Index (y/y % change)	18.0	4.4	..	1.2	2.0	2.7	..	..	..
Crops	19.3	1.9	..	3.5	3.0	4.3	..	..	..
Livestock	16.7	6.7	..	-0.9	1.3	1.4	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	31.3	33.7	39.8	30.0	29.3	33.3	..
y/y % change	-5.1	29.9	7.8	-0.2	32.4	5.0	11.9	4.3	..
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.2	1.6	1.7	1.9	2.2	..	..
Edmonton	0.9	0.9	0.9	0.8	0.8	1.0	0.9	..	..
Calgary	0.1	1.7	3.3	2.4	2.8	3.1	3.3	..	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	373.8	369.5	370.7	372.2	367.6	379.9	..
y/y % change	0.5	2.6	5.5	3.9	4.2	5.2	6.6	4.5	..
Edmonton ($ 000's)	324.2	332.7	340.3	336.8	343.0	345.9	337.6	343.0	..
y/y % change	0.7	2.6	2.1	2.0	5.3	4.4	1.6	2.5	..
Calgary ($ 000's)	401.9	410.5	430.5	421.4	419.3	436.0	422.5	439.4	..
y/y % change	1.1	2.2	9.1	3.5	3.1	8.3	12.4	6.1	..
Retail Sales, SA (y/y % change)	6.9	7.6	2.9	6.0	4.1	2.4	2.0	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	3.6	9.1	2.6	-0.7	3.6	..	..
Consumer Bankruptcies	7,059	5,759	446	489	420	346	446	..	..
y/y % change	-14.8	-17.3	13.7	-5.0	-27.2	-28.4	-13.7	..	..
Business Sector									
Rigs Drilling	286	250	365	236	258	287	368	422	306
y/y % change	30.4	-12.6	8.5	-29.6	-21.8	-16.6	-8.2	-8.1	-9.4
NEW: Goods Exports, customs based (y/y % change)	16.4	-1.7	1.2	6.7	2.8	-13.1	0.5	2.0	..
Energy	19.2	2.0	1.8	8.6	-1.4	-16.9	0.1	3.9	..
Farm, Fishing and Intermediate Food	27.2	20.6	5.2	28.3	8.3	20.0	3.8	6.7	..
Farm Cash Receipts (quarterly, y/y % change)	15.2	15.0 (YTD)	..	..	..	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	18.0	5.3	0.0	1.2	5.8	6.6	0.0	..	..
Wholesale Trade, SA (y/y % change)	15.0	11.0	3.4	3.9	4.2	3.7	3.4	..	..
Building Permits, SA (y/y % change)	11.8	14.7	24.3	25.0	44.7	-5.4	24.3	..	..
Residential	5.2	17.7	20.4	14.5	23.3	2.2	20.4	..	..
Non-residential	20.9	11.0	30.9	42.0	76.4	-13.0	30.9	..	..
Business bankruptcies	264	230	10	18	15	16	10	..	..
y/y % change	-30.2	-12.9	-50.0	-40.0	-21.1	-11.1	-50.0	..	..

1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

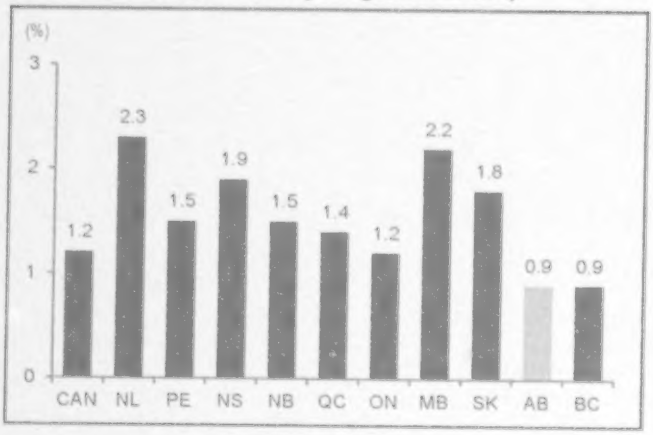
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

Economic Indicators by Province

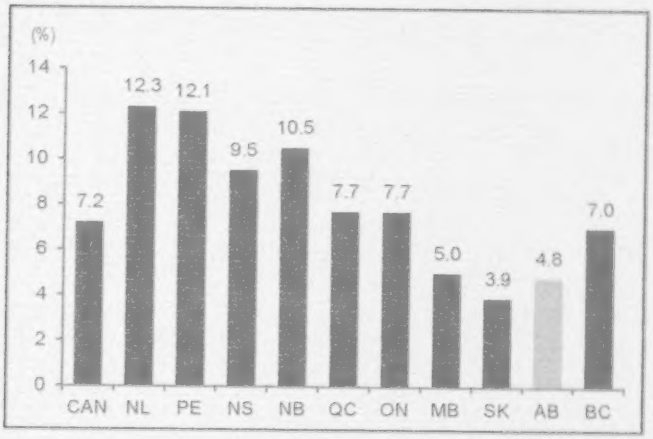
Real GDP Growth by Expenditure
(2011, year-over-year growth)



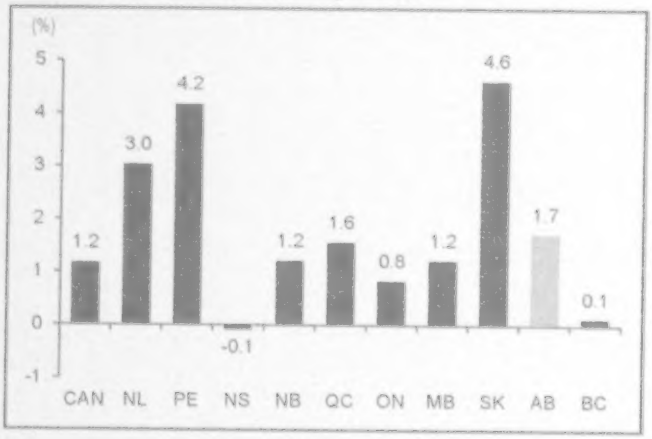
CPI Inflation
(February 2013, year-over-year growth in CPI)



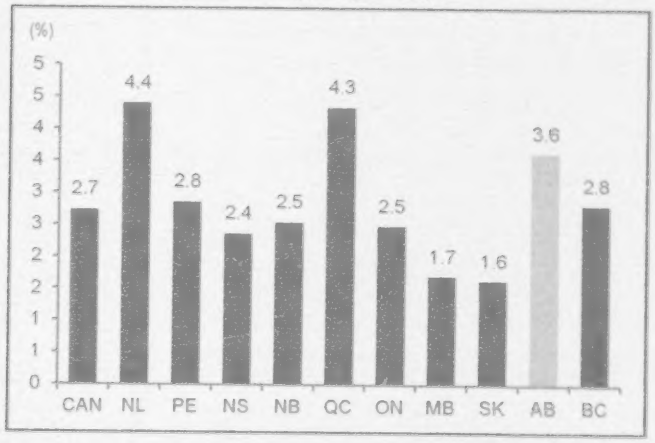
Unemployment Rate
(March 2013)



Employment
(March 2013, year-over-year growth)



Average Weekly Earnings
(January 2013, year-over-year growth)



Housing Starts
(February 2013, SAAR, year-over-year growth)